



**OPEN WORLD PROGRAM  
OPEN WORLD LEADERSHIP CENTER  
AT THE LIBRARY OF CONGRESS  
2008/2009 GRANT PROCEDURES  
Russian Cultural Leaders Program**

The Open World Program was established in 1999 to expose emerging Russian political and civic leaders to American civil society through study visits to communities across the United States. The program's administering agency, the Open World Leadership Center (the Center), is an independent entity within the U.S. legislative branch. The Center launched the Russian Cultural Leaders Program in November 2003 after Congress made Russian cultural leaders eligible for Open World in February 2003. Open World's cultural program has operated with assistance from the National Endowment for the Arts (NEA) since 2004.

In cooperation with the NEA, Open World's Cultural Leaders Program offers artists, arts managers, and other cultural leaders from Russia short-term U.S. residencies at universities, nonprofit arts organizations, and similar institutions. The residencies emphasize professional and creative development. They also provide opportunities for the visiting cultural leaders to share their artistic expression, heritage, and expertise with American counterparts and audiences. As with the larger Open World Program, an important goal of these visits is to promote interchange and enduring ties between participants and their American contacts and host institutions, thereby enhancing mutual understanding between the United States and Russia.

The alumni of Open World's cultural program include jazz musicians, visual artists, cultural officials, writers, filmmakers, modern dance choreographers, museum and theater managers, and music educators from across Russia. Residency activities have included roundtable discussions, observation tours, conferences, workshops, hands-on training, performances, exhibits, and classes by and for the delegates.

Eligible U.S. organizations interested in hosting Russian cultural delegations in 2008/2009 are invited to send a proposal to the Open World Leadership Center (please see pages 10–13). Proposals will be reviewed by a selection committee and assessed on the extent to which they support Open World Cultural Leaders Program objectives (please see detailed guidelines below). The Center will award grants to approved organizations.

**GRANT APPLICATIONS ARE DUE BY 6:00 PM EST, MARCH 12, 2008.**

## PROGRAM GOALS

The Open World Cultural Leaders Program aims to increase mutual understanding and develop partnerships between the United States and Russia by giving Russian cultural leaders unique opportunities to observe and engage in American cultural and community life, as well as to share their special skills and professional experience with their American counterparts and host communities. Open World also seeks to provide the Russian delegates with opportunities to develop their professional skills and to establish relationships that can lead to fruitful collaborations and future reciprocal exchanges.

## ELIGIBILITY FOR OPEN WORLD GRANTS

Applicants must be U.S.-based 501(c)(3) nonprofit organizations. Arts organizations, organizations with established foreign visitor programs, or organizations that seek to establish such a program to host Russians for the purposes described above are eligible to apply. **An applicant organization must demonstrate experience and expertise in programming in arts and culture, especially in the disciplines outlined below, or must provide a letter of commitment from a partner arts organization as part of the proposal.**

## TARGET GROUPS

In 2008, Open World will accept proposals from organizations that can develop professional residencies in one or more of the following areas:

- jazz music
- literary writing and poetry
- traditional arts or music
- historic preservation or cultural tourism
- modern dance/choreography
- filmmaking

The residencies are structured for groups of **four** artists, arts managers, or other cultural leaders (“delegates”), with one facilitator to accompany each group of four. Facilitators are young Russians with fluent English who have previous experience living in the United States. They provide “after-hours” interpretation support, especially during meals and informal cultural activities, and help facilitate logistical matters.

## PROGRAM STRUCTURE

**Open World recognizes the complexity of program development for the Cultural Leaders Program. Therefore, the Center has entered into an agreement with CEC ArtsLink, an organization that specializes in cultural exchange with Central Europe, Eurasia, and Russia, to assist with programmatic aspects of the Cultural Leaders Program. As noted in sections 2 and 3 below, CEC ArtsLink will**

**work with all grantees to assure smooth coordination of the nomination process in Russia and program planning for the residencies.**

**In addition, Open World currently contracts with American Councils for International Education (American Councils) to assist with logistical aspects of the program such as international transportation and visas, as outlined in section 4 below.**

In the past, some of the stronger residencies have been those in which an arts organization partners with a community-based organization. The arts organization is able to provide the in-depth professional content and potential for future professional collaborations, while the community-based organization offers assistance with the logistics of the visit and social aspects of hosting. This approach allows participants more opportunities to observe and participate in community life.

### **1. U.S. Residencies.**

Open World's two-week residencies are intended to provide benefits and learning opportunities for both the host organization(s) and the Russian delegates. The delegates should have possibilities for professional development experience, as well as substantive interaction with their American counterparts and, as appropriate, government officials and other community leaders. In addition, the program should include opportunities for delegates to share their work and special skills with the grantee organization and the larger community.

Proposed residencies should have a well-defined professional focus based on the capabilities and interests of the host organization. Proposals should describe the focus and activities of the professional program as specifically as possible.

At the same time, once candidates for the residency are selected, it is critical that the grantee organization have the ability to be flexible and responsive to delegates' requests within the specified professional focus.

The residency should facilitate a two-way cultural exchange by providing cross-cultural activities that introduce the delegates to American culture, society, institutions, and everyday life, and that give them voluntary opportunities to share the traditions, language, or history of their home country with Americans. Delegates should also be introduced to the U.S. system of support for arts and culture, with emphasis on the structure and funding of nonprofit cultural organizations.

During their residencies, participants stay in homes (preferred) and/or paid accommodations.

## **2. Delegate Nomination and Selection Process.**

The Russian Cultural Leaders Program reflects Open World's original goal to focus on emerging leaders who exhibit great talent or promise in their fields. Artists, arts managers, or other cultural leaders who are selected to participate in the program generally are early- or midcareer professionals who are already recognized for their potential. Generally, English-language ability is not required. Most delegates will not have previously visited the United States.

Candidates for the Open World Russian Cultural Leaders Program will be identified based on the professional opportunities and activities offered by the grantee organizations. The nomination and selection process for the Russian cultural delegates consists of the following steps, which, for most groups, will be coordinated by representatives of CEC ArtsLink:

- As part of its proposal, the prospective grantee organization outlines professional characteristics or experiences that are highly desirable in candidates for the specific residency. For example, proposals for jazz residencies may specify level of proficiency and particular instruments desired to form an ensemble. Writing programs may identify a genre of literature and describe the literary style or special interests desired for delegates.
- After the grant has been approved, information on the grantee's proposed program(s) and preferred candidate characteristics is presented to Russian nominators, who use this material to recommend suitable candidates. A panel of three to six nominators is used for each proposed delegation. The nominators are recognized Russian experts in the delegation's discipline (for example, a chief curator of a major film festival might serve on the nominating committee for a filmmakers delegation, or the head coordinator of a prominent program for young writers might nominate candidates for a writers delegation).
- Interested candidates complete application forms and submit work samples, if applicable. The application process is competitive and not all nominated candidates will be accepted into the program.
- Application forms and work samples are reviewed by the Center, the NEA, and program consultants. Relevant work samples may be shared with the grantee organization as appropriate. Final selections are made by the Center and the NEA in consultation with the grantee.

### 3. Pre-program Communication Process.

Prior to their Russian participants' U.S. arrival, grantees will be required to work closely with CEC ArtsLink representatives, who will coordinate communication between host organizations and their assigned participants. Intensive pre-program communication between the grantee and the delegates helps ensure the best possible balance between host capacities and participants' professional interests.

Just before leaving Moscow, the Russian delegates will attend an orientation session on life in the United States. This will include discussion of American home life and practices to prepare them for homestays, if applicable. Delegates will also have a final pre-arrival review of their residency program, logistical arrangements, and Open World program rules and policies.

### 4. Logistics.

American Councils will provide grantees with administrative and logistical support including:

- (a) assisting finalists with obtaining visas and providing them with health insurance and travel arrangements,
- (b) selecting facilitators, and
- (c) supplying biographical data on each delegate (the "participant profile").

Grantees will be required to work closely with American Councils.

When working with American Councils and CEC ArtsLink, grantees will be required to meet the deadlines given in the table on page 9.

### GRANTEE REQUIREMENTS

Grantee organizations will be responsible for 14 days<sup>1</sup> and 14 nights of programming for groups of four cultural leaders and one facilitator arriving between June 1, 2008, and June 30, 2009. Grantee organizations will be expected to successfully complete and/or oversee the following programmatic functions:

- Develop (with the partner arts organization, if applicable) a complete 14-day agenda for each requested group that includes professional programming and cross-cultural activities that meet Open World goals. The program should directly address issues of professional development in the relevant arts field. It is **important to balance professional activities**

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<sup>1</sup>The Center will consider proposals that contain different provisions (for the length of stay, size of delegations, etc.) than those outlined here, if needed to deliver quality programming.

**with free time** that would allow participants to reflect on new experiences and process new information.

- Where applicable, recruit families to house delegates and their facilitator(s).
- Require local hosts to encourage presenters and host families to register on the Open World Digital Directory before the delegates' arrival and review Open World web resources for ongoing communication while the delegates are in the United States. The Digital Directory is available at <http://www.openworld.gov/ddregister.php>
- Participate, either in person or via telephone conference, in coordination meetings in Washington, D.C., with Open World staff and representatives.
- Help make arrangements for Center staff to conduct site visits during residencies, if requested by the Center.
- Attend the annual Open World Grantee Meeting, usually held in Washington, D.C., in May.
- Submit required reports by scheduled deadlines.
- Report on the expenditure of grant funds as required below (forms will be furnished to grantee organizations by the Center).
- Adhere to federal income tax regulations.

Grantees are responsible for assuring that they or their partner local host organization(s) will:

- Provide all local transportation during a delegation's visit, beginning with pickup at the U.S. final destination airport and ending with delivery to the departure airport. Using public transportation for travel to professional activities is not encouraged and should only be planned if participants are accompanied by a local escort. Open World must be notified in advance of any such plans.
- Provide professional Russian-language interpretation for all professional activities. **The Center requires high-quality professional interpretation for Open World delegations and recognizes that this affects budgets.** Interpreters who are certified by the U.S. Department of State or a state or local agency that certifies legal and medical interpreters are preferred.

- Provide participants (delegates and their facilitator[s]) with suitable homestay placements (preferred), lodging at a hotel or other appropriate paid accommodation, or a combination of homestays and paid accommodation.
- If participants do not stay with home hosts for some or all of their residency, arrange additional social and community-based cultural events and other cross-cultural activities at which the participants have the opportunity to interact informally with Americans.
- Ensure that breakfast, lunch, and dinner are provided daily for the delegates and their facilitator(s) during their stay.
- Provide an orientation session soon after arrival to introduce delegates to the host organization(s) and the community, and to review the details of their local program.
- Coordinate with the Center or CEC on press outreach, including sharing drafts of any press material in advance with the Center, if requested, and reviewing any relevant press material developed by the Center, if requested. **Press material for the Cultural Leaders Program must include credits to the Open World Leadership Center and the National Endowment for the Arts. Acknowledge NEA support in any public mention of the Open World cultural program with the following language: “Support for the cultural program is provided through partnership and funding from the National Endowment for the Arts.”**

#### GRANTEE FINANCIAL RESPONSIBILITIES

All grant applications must include an accounting of any administrative cost share that is provided. All organizations awarded grants by the Center will be required to submit cost-share estimation forms (illustrated in Annex VI) 90 days after the completion of the grant period of performance. See section 2.3 in Annex II for more details on cost share.

Each organization awarded a grant by the Center is required to submit **quarterly** Status of Funds reports (Standard Form 269A, provided by the Center) and Federal Cash Transaction reports (Standard Form 272A, also provided by the Center) for each grant awarded. The quarterly reporting periods are: beginning of grant award–June 30, 2008; July 1–September 30, 2008; October 1–December 31, 2008; January 1–March 31, 2009; and April 1–June 30, 2009, if the grant has not been closed by June 30, 2009. The quarterly reports are due on July 10, 2008; October 10, 2008; January 12, 2009; April 10, 2009; and July 10, 2009. Failure to meet these deadlines will negatively affect consideration for future grants from the Center.

Every grantee must clearly mark in their documentation for requesting funds (Request for Advance or Reimbursement, Standard Form 270, provided by the Center) whether the request is for a partial **advance payment, reimbursement** of expended funds, or the **final close-out payment of the grant**. Failure to do so could delay payment and will negatively affect consideration for future grants from the Center.

Grantees are encouraged to submit all final financial documentation by ninety (90) days after the final day of programming and must submit such documentation by September 30, 2009, unless a later date is agreed to in writing by the Center. Documentation must be organized according to the budget categories in the Budget Award Document issued by Open World at the time of the grant award, unless another form of documentation is agreed to in writing by both parties. Failure to submit final documentation by the deadline will negatively affect consideration for future grants from the Center.

If, for any reason agreed to by both parties, the Open World grant performance period is extended beyond June 30, 2009, Open World and the grantee may agree to a new grant close-out date in writing.

#### **TIMELINE**

Grant applications are due by 6:00 p.m. EST March 12, 2008.

Applicants will be informed about the Center's decision by March 28, 2008.

Reports: Grantees will have to submit financial reports as described above (under Financial Obligations) and a final narrative report on the program and all hosting activities and residencies that includes recommendations for future program changes. **The final narrative report must be submitted by the grantee organization within 90 days of its final hosting activity.** Grantees, or their partner local host organizations, will also have to submit a post-program report for each individual local program, which is to include a detailed summary of professional and cross-cultural activities and the final actual schedule. Grantees and hosts are also encouraged to e-mail photographs and any press coverage of the visit to Open World Public Affairs Officer Maura Shelden at [mshelden@loc.gov](mailto:mshelden@loc.gov). Each local program report is due three weeks after the delegation's departure.



### Document-Exchange Deadlines for an Open World Visit

This table outlines the timeline for information and document exchange for individual local programs, measured backward from the participants' U.S. arrival date.

<i>Deadline</i>	<i>Host Coordinator provides to CEC ArtsLink:</i>	<i>Host Coordinator provides to American Councils:</i>	<i>Open World or American Councils or CEC ArtsLink provides:</i>
<i>At least 3 months before arrival (if possible, earlier)</i>	<ul style="list-style-type: none"> <li>▪ Program summary, brief information on key organizations involved and key professional characteristics desired in participants</li> </ul>		
<i>At least 2 months before arrival (as soon as selection process is completed)</i>	<ul style="list-style-type: none"> <li>▪ Draft program agenda (in form of schedule) and further background information on involved organizations and specialists</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of draft program agenda</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participant names and brief background information – CEC ArtsLink</li> </ul>
<i>6 weeks before arrival</i>			<ul style="list-style-type: none"> <li>▪ Participant Profiles (based on delegates' applications; contain detailed biographical and professional data on delegates, plus information on their interests and program goals) – American Councils</li> <li>▪ Feedback from participants based on the draft agenda – CEC ArtsLink</li> </ul>
<i>4 weeks before arrival</i>	<ul style="list-style-type: none"> <li>▪ Updated schedule, including updates based on participant feedback</li> </ul>		<ul style="list-style-type: none"> <li>▪ Participant List with brief participant biographies – CEC ArtsLink</li> <li>▪ Flight Itineraries – American Councils</li> </ul>
<i>3 weeks before arrival</i>		<ul style="list-style-type: none"> <li>▪ Host Family Contact Information and Brief Bios, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued communication with participants (if necessary) – CEC ArtsLink</li> </ul>
<i>2 weeks before arrival</i>		<ul style="list-style-type: none"> <li>▪ Resumé of Professional Interpreter(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued communication with participants (if necessary) – CEC ArtsLink</li> </ul>
<i>1 week before arrival</i>	<ul style="list-style-type: none"> <li>▪ Final Program Agenda</li> </ul>	<ul style="list-style-type: none"> <li>▪ Emergency Contact Information</li> <li>▪ Copy of final program agenda</li> </ul>	
<i>3 weeks after departure</i>		<ul style="list-style-type: none"> <li>▪ Post-program Report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delegation Feedback on Program based on participant evaluations – CEC ArtsLink</li> </ul>

## CRITERIA FOR EVALUATING GRANT APPLICATIONS

All grant applications for the Open World Russian Cultural Leaders Program will be evaluated on the following factors, listed in order of importance:

1. Degree to which proposed project plans address Open World goals;
2. Past experience in implementing artists residencies;
3. Demonstrated ability or past experience in working with Russians;
4. Background and experience of key project personnel;
5. Quality of submitted residency plans and draft programs;
6. Ability to home host (preferred) or provide adequate alternative opportunities to interact informally with Americans in their homes or in social settings;
7. Per person cost;
8. Assessments of previous hosting quality (for previous Open World grantees). Assessments are based on input from Open World staff and representatives and NEA staff; delegate surveys; facilitator reports; and the quality and promptness of grantee programmatic/administrative and financial reporting, including the accuracy of financial records.

## GRANT PROPOSAL OUTLINE

Proposals and budgets should be **E-MAILED** to the Grants Officer: Aletta Waterhouse, Program Administrator, Open World Leadership Center, at [awat@loc.gov](mailto:awat@loc.gov), or **FAXED** to the Open World Leadership Center office at (202) 252-3464. Please contact Ms.

Waterhouse at (202) 707-8943 if e-mailing or faxing material is not feasible. **Do not mail or send by commercial delivery any materials without first contacting the Center.**

## **PROPOSAL REQUIREMENTS**

**All submissions must provide the following cover sheet:**

NAME OF ORGANIZATION

MAILING ADDRESS

PROGRAM CONTACT – NAME AND PHONE NUMBER

FINANCIAL/BUDGET CONTACT – NAME AND PHONE NUMBER

FAX NUMBER

NUMBER OF ARTISTS OR ARTS MANAGERS AND ARTS DISCIPLINE

BRIEF (ONE PARAGRAPH) SYNOPSIS OF PROPOSED RESIDENCY

The narrative submissions must follow the outline below. Please identify the response to each section with the corresponding number and letter:

### **1. Project narrative (provide one for each target group proposed):**

A. What opportunities for professional development and enrichment can you offer the delegates and how can the residency benefit your program or organization?

B. Number and discipline of residency delegates you request (minimum four, plus one facilitator for each group of four artists or arts managers). Please include a brief description of the professional characteristics desired in a potential delegate. This can include information about the genre, style, musical instrument preference, etc. For managers, this could include, for example, the size of the organization in terms of budget or staff.

C. Requested dates for the residency. If possible, target several two-week segments between June 1, 2008, and June 30, 2009, when your program could take place. Please specify if the program is centered around a scheduled event and can only take place during that time.

D. List of planned program activities. You may submit this in the form of a calendar or schedule. If the program incorporates a major event, please provide background information on the event and explain how this event will correspond to Open World program goals and your specific residency objectives.

E. Key organizations and staff involved in the project. Provide one-paragraph biographies of key project personnel.

F. Special resources required (e.g., rental of special equipment; simultaneous interpretation to allow delegate participation in a conference; advance translation of work samples; subtitling a film).

**2. Letters of commitment** – If the proposal is submitted by an organization whose primary work is not in the arts, a letter of commitment from a partner **arts** organization is required. Similarly, if the proposed program includes participation in a larger event, such as a festival, please include a letter of commitment from the organizer of this event.

**3. Summary of your organization’s past experience with similar programs**

**4. Information on how you will handle interpretation needs, lodging, meals, and local transportation**

**5. Budget submission** – The budget submission is the financial expression of your program plans as a partner in the Open World Program. Therefore, your budget submission needs to reflect your administration of a program that meets the goals outlined above.

The categories of your budget justifications must be presented using the Office of Management and Budget (OMB) Standard Object Classification Title (SOC). Each SOC in your budget proposal must provide dollar amounts accompanied by a narrative justification. When preparing your budget, please keep in mind that an overage of 10 percent or more in **any** one SOC will require prior written approval from the Open World Leadership Center’s Grants Officer.

The SOC titles and definitions to be used for your budget submissions are as follows:

- A. Personnel Compensation – Salaries and wages paid directly to your employees.
- B. Personnel Benefits – Your cost associated with benefits of your employees.
- C. Travel and Transportation – Obligations for travel and transportation of staff.
- D. Rental Payments – Obligations for possession and use of space.
- E. Rental of Equipment – Obligations for the rental of any equipment.
- F. Postal Services – Obligations for postal items such as stamps, postcards, etc.
- G. Utilities – Obligations for heat, light, power, water, etc.
- H. Printing – Obligations for printing and reproduction.
- I. Advisory and Assistance Services – Obligations for advisory and assistance services, such as translations acquired to meet your requirements under the grant.
- J. Supplies – Obligations for office supplies.
- K. Equipment – Obligations for property of a durable nature (i.e., computers).
- L. Grants – Obligations for grants made to others by your organization.

In case your budget for any reason needs to include SOCs other than the ones listed above, please refer to the section of OMB Circular A-11 that pertains to object class data and definitions. Budget submissions reflecting any General and Administrative Overhead Costs must be shown as separate line items and supported by narrative justifications.

**Sample Budget Submission:**

<b><i>OBJECT CLASSIFICATION</i></b>	<b><i>NARRATIVE JUSTIFICATION</i></b>	<b><i>AMOUNT</i></b>
<i>Personnel Compensation</i>	<i>1 Full-time project director for 3 months at \$0,000 per month</i>	<i>\$0,000</i>
<i>Travel</i>	<i>One trip from New York to Wash, DC</i>	<i>0,000</i>
<b>GRAND TOTAL</b>		<hr/> <b>\$0,000</b>

PROPOSED BY:

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SIGNATURE PROGRAM OFFICER AND DATE

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SIGNATURE FINANCIAL/BUDGET OFFICER AND DATE

APPROVAL:

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Open World Leadership Center  
GRANTS OFFICER

## ANNEX I

### Grant Administration Guidelines

#### 1.1. Introduction

Through its grants, the government sponsors everything from complex multimillion dollar, multi-year scientific research and development undertakings to the creative efforts of individual young artists. As might be expected, the rules that have been developed to address all the situations likely to arise between the government and its grantees are extensive. Working from a comprehensive set of grant principles published by the Office of Management and Budget (OMB), the Open World Leadership Center (the Center) has identified specific rules that will apply to all grantees and subrecipients of Center grants. These rules are explained below. It is important to become familiar with these provisions and comply with them.

Please note that the Open World Leadership Center, as a legislative branch agency, is not required to apply the OMB grants-related guidance for executive branch agencies and departments that is found in the OMB Circulars and in Title 2 of the Code of Federal Regulations (CFR). Nevertheless, it is the policy of Open World to follow this familiar grants guidance and to deviate therefrom only when in the best interest of the Open World Program. Consequently, CFR Title 2 and relevant OMB Circulars will apply as they are customarily implemented by Open World in connection with the Open World Program. For example, the requirement in 2 C.F.R. 215.4 “Deviations” for clearance through OMB of any deviations to the terms of the circulars will not apply to Open World. Instead, grantees should direct any questions about Open World’s implementation of the OMB Circulars to Aletta Waterhouse at [awat@loc.gov](mailto:awat@loc.gov).

Unless otherwise specified herein, sections from the CFR and OMB Circulars listed below, as implemented by Open World, will be incorporated by reference into Open World grant awards. These authorities will be administered in accordance with standard federal requirements for grant agreements, as interpreted by Open World:

- 2 C.F.R. Part 215, “Uniform Administrative Requirements for Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (OMB Circular A-110)
- 2 C.F.R. Part 220, “Cost Principles for Educational Institutions”(OMB Circular A-21)
- 2 C.F.R. Part 225, “Cost Principles for State, Local, and Indian Tribal Governments” (OMB Circular A-87)
- 2 C.F.R. Part 230, “Cost Principles for Non-Profit Organizations” (OMB Circular A-122)

- OMB Circular A-102, “Grants and Cooperative Agreements with State and Local Governments”
- OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”

The full text of these authorities is available as follows:

- Code of Federal Regulations, Title 2, “Grants and Agreements” is available online from the National Archives and Records Administration via the Government Printing Office GPOAccess website at: [www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1](http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1)
- The OMB Circulars are available online from the OMB website at: [www.whitehouse.gov/omb/circulars/index.html](http://www.whitehouse.gov/omb/circulars/index.html)
- Copies of relevant authorities are also available from Open World upon request

## **1.2. Basic Grantee Responsibilities**

The grantee holds full responsibility for the conduct of project activities under a Center award, for adherence to the award conditions, and for informing the Center during the course of the grant of any significant programmatic, administrative, or financial problems that have arisen. In accepting a grant, the grantee assumes the legal responsibility of administering the grant in accordance with these requirements and of maintaining documentation, which is subject to audit, of all actions and expenditures affecting the grant. Failure to comply with the requirements of the award could result in suspension or termination of the grant and the Center’s recovery of grant funds. The grantee also assumes full legal responsibility for any contracts entered into relating to the grant program.

## **1.3. Compliance with Federal Laws**

Applicant organizations must certify that their programs operate in compliance with the requirements of various federal statutes and their implementing regulations. These are described below. Grantees are also required to obtain an executed certification of compliance with these statutes from all organizations that are subrecipients under a Center grant.

a. **Nondiscrimination.** Grants are subject to the provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972 (as amended), Section 504 of the Rehabilitation Act of 1973 (as amended), the Age Discrimination Act

of 1975 (as amended), and the regulations issued pursuant thereto. Therefore, no person on grounds of race, color, national origin, disability, or age shall be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under a program funded by the Center. In addition, if a project involves an educational activity or program, as defined in Title IX of the Education Amendments of 1972, no person on the basis of sex shall be excluded from participation in the project.

b. **Lobbying Activities.** The Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, prohibits recipients of federal contracts, grants, and loans from using appropriated funds to influence the executive or legislative branches of the federal government in connection with a specific contract, grant, cooperative agreement, loan, or any other award covered by § 1352. 18 U.S.C. 1913 makes it a crime to use funds appropriated by Congress to influence members of Congress regarding congressional legislation or appropriations. Finally, Attachment B25 of Office of Management and Budget Circular A-122 designates the following as unallowable charges to grant funds or cost sharing: certain electioneering activities, financial support for political parties, attempts to influence federal or state legislation either directly or through grass-roots lobbying, and some legislative liaison activities.

c. **Drug-Free Workplace.** The Drug-Free Workplace Act of 1988, 41 U.S.C. 701, requires grantees to have an on-going drug-free awareness program; to publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace; to maintain evidence that this statement was given to each employee engaged in the performance of the grant; and to identify in the funding proposal or to keep on file in its office the place(s) where grant activities will be carried out.

d. **Debarment and Suspension.** Applicant-organization principals must not be presently debarred or suspended or otherwise excluded from or ineligible to participate in federal assistance programs. An applicant or grantee organization shall provide immediate written notice to the Center Grants Officer if at any time it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. Grantees shall not make or permit any subgrant or contract to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs. Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

#### **1.4. Grant Period and Extensions**

The grant period is the span of time designated in the grant award, or an amendment thereto, during which the grantee has the authority to obligate grant funds and undertake project activities. However, when approved by the Center, a grantee may incur necessary project costs in the 90-day period prior to the beginning date of the grant



period. The Center may also authorize a one-time extension of the expiration date established in the initial grant award if additional time is required to complete the original scope of the project with the funds already made available. A single extension that shall not exceed 2 months may be made for this purpose, provided it is made prior to the original expiration date. Grant periods will not be extended merely for using the unliquidated balance of project funds.

### **1.5. Key Project Personnel**

Applicant organizations must identify a project director and grant administrator for the Center award. (One person may perform both roles.) The replacement of the project director or the co-director, or a substantial reduction in the level of their effort, requires prior written approval from the Center. When it is specifically required as a condition of a grant, written approval will also be needed for the replacement or the substantial reduction in the level of effort of other personnel whose work is deemed by the Center to be critical to the project's successful completion. All requests for approval of changes in key project personnel shall be signed by the grant administrator and submitted to the appropriate Center Grants Officer.

### **1.6. Changes in Project Scope**

Any project that is carried out under a grant must be consistent with the scope of the proposal that is approved for funding by the Center. The scope of a project encompasses the purpose for which the grant is undertaken, the subject matter, the treatment of the subject matter, the historical time frame of the project, the volume of material that will be studied/treated, and the products that are expected to result from grant activities. No changes may be made in the scope of a project without written approval from the Center. All requests for a change in the scope of a grant shall be signed by the recipient organization's grant administrator and submitted to the Center Grants Officer.

### **1.7. Organizational Prior Approval System**

The recipient organization is required to have written procedures in place for reviewing and approving in advance proposed administrative changes such as:

- the expenditure of project funds for items that, under the applicable cost principles, normally require prior agency approval;
- the one-time extension of a grant period;
- the incurring of project costs prior to the beginning date of an award; and

- budget revisions that involve the transfer of funds among budget categories.
  - a. Purpose. The procedures for approving such changes are sometimes referred to as an “organizational prior approval system.” The purpose of such a system is to ensure that:
    - all grant actions and expenditures are consistent with the terms and conditions of the award, as well as with the policies of the Center and the recipient organization;
    - any changes that may be made do NOT constitute a change in the scope of the project; and
    - any deviation from the budget approved by the Center is necessary and reasonable for the accomplishment of project objectives and is allowable under the applicable federal cost principles.
  - b. Requirements. Although grantees are free to design a prior approval system that suits their particular needs and circumstances, an acceptable system must at a minimum include the following:
    - the procedure for review of proposed changes must be in writing;
    - proposed changes must be reviewed at a level beyond the project director; and,
    - whenever changes are approved, the grantee institution has to retain documentation of the approval for three years following the submission of the final financial report.

## **1.8. Activities Outside the United States**

Grantees shall obtain the appropriate licenses, permits, or approvals prior to undertaking grant activities outside the United States. The Center does not assume responsibility for grantee compliance with the laws and regulations of the country in which work is to be conducted.

## **1.9. Reporting Requirements**

All grant applications must include an accounting of any administrative cost share that is provided. All organizations awarded grants by the Center will be required to submit the cost-share estimation form/s [illustrated in Annex VI] by 30 days after the close-out of the grant. See section 2.3 in Annex II for more details on cost share.

Each organization awarded a grant by the Center is required to submit **quarterly** Status of Funds reports (Standard Form 269A, provided by the Center) and Federal Cash Transaction reports (Standard Form 272A, also provided by the Center) for each grant awarded. The quarterly reporting periods are: beginning of grant award – June 30, 2008; July 1–September 30, 2008; October 1–December 31, 2008; January 1–March 31, 2009; and April 1–June 30, 2009, if the grant has not been closed by June 30, 2009. The quarterly reports are due on July 10, 2008; October 10, 2008; January 12, 2009; April 10, 2009; and July 10, 2009. Failure to meet these deadlines will negatively affect consideration for future grants from the Center.

Every grantee must clearly mark in their documentation for requesting funds (Request for Advance or Reimbursement, Standard Form 270, provided by the Center) whether the request is for a **partial** advance payment or for the **final close-out payment of the grant**. Failure to do so could delay payment and will negatively affect consideration for future grants from the Center.

A final report and all final financial documentation shall be submitted to the Center by September 30, 2009, unless a later date is agreed to in writing by the Center.

## **ANNEX II**

### **Grant Financial Guidelines**

#### **2.1. Allowable Costs**

The reasonableness, allowability, and allocation of costs for work performed under a Center grant shall be determined in accordance with the applicable federal cost principles and the terms and conditions of the grant award. The complete official federal cost principles for nonprofit organizations are included in Annex IV.<sup>2</sup>

a. **Pre-Award Costs.** Applicant organizations may include project costs incurred within the 90-calendar-day period immediately preceding the beginning date of the grant in the proposed budget. Pre-award expenditures are made at the risk of the applicant organization, and the Center is not obligated to cover such costs in the event an award is not made or is made for an amount that is less than the applicant organization anticipated.

b. **Travel Costs.** Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by those who are on official business attributable to work under a grant. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs, or on a combination of the two, provided the method used results in charges consistent with those normally allowed by the grantee in its regular operation, as set forth in the grantee's written travel policy. Airfare costs in

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<sup>2</sup> The information in Annex IV may be superseded by changes in OMB regulations.

excess of the lowest available commercial discount or customary standard (coach) airfare are unallowable unless such accommodations are not reasonably available to accomplish the purpose of travel. All air travel that is paid in whole or in part with Center funds must be undertaken on U.S. air carriers unless the Center gives prior written approval for use of non-U.S. carriers.

## **2.2. Budget Revisions**

The project budget is the schedule of anticipated project expenditures that is approved by the Center for carrying out the purposes of the grant. When grantees or third parties support a portion of the project costs, the project budget includes the nonfederal as well as the federal share of project expenses. All requests for budget revisions shall be signed by the recipient organization's grant administrator and submitted to the Center. Within 14 calendar days from the date of receipt of the request for budget revision, the Center will review the request and notify the grantee whether or not the budget revision has been approved.

Grantees must obtain prior written approval from the Center whenever a budget revision is necessary because of:

- the transfer to a third party (by subgranting, contracting, or other means) of any work under a grant (Center approval is not required for third-party transfers that were described in the approved project plan, or for the purchase of supplies, materials, or general support services);
- the addition of costs that are specifically disallowed by the terms and conditions of the grant award;
- the transfer of funds from stipends or training allowances to other budget categories; or
- changes in the scope or objectives of the project.

## **2.3. Cost Sharing and Cost-Sharing Records**

While the Center award will fund most project activities, a grantee is expected to share in project expenses at the level indicated in its approved project budget. Grantees must maintain auditable records of all project costs whether they are charged to grant funds or supported by cost-sharing contributions. All cash and in-kind contributions to a project that are provided by a grantee or a third party are acceptable as cost sharing when such contributions meet the following criteria:

- Are verifiable from the grantee's records;

- Are not included as contributions for any other federally assisted program;
- Are necessary and reasonable for the proper and efficient accomplishment of project objectives;
- Are types of charges that would be allowable under the applicable cost principles;
- Are used to support activities that are included in the approved project work plan;
- Are incurred during the grant period.

Contributions such as property, space, or services that a grantee donates to a project are to be valued in accordance with the applicable federal cost principles and not on the basis of what would normally be charged for the use of these items or services. When cost sharing includes third-party in-kind contributions, the basis for determining the valuation of volunteer services and donated property or space must be documented and must conform to federal principles. Annex VI illustrates the cost-share estimation form [with instructions] that the Center will provide to grantees and local hosts to aid them in estimating cost-share totals. The form/s are due to the Center by 30 days after the close-out of the grant.

#### **2.4. Payments and Interest**

Grantees may be paid on an advance basis, unless otherwise specified in the grant award, and payment will be effected through electronic funds transfer. Whenever possible, advances should be deposited and maintained in insured accounts. Grantees are also encouraged to use women-owned and minority-owned banks (banks that are owned at least 50 percent by women or minority group members).

a. **Payment Requests.** Requests for advance payment shall be limited to no more than 75 percent of the total grant award, unless otherwise specified by the Center. Grant funds that have been advanced but are unspent at the end of the grant period must be returned to the Center. Grantees should make every effort to avoid requesting advance payment of funds that then are not used and must be returned to the Center. This practice will impact negatively on future grant awards.

b. **Interest on Grant Funds.** All grantees, except states (see glossary), are required to maintain advances of federal funds in interest-bearing accounts unless the grantee receives less than \$120,000 per year in advances of grant funds or the most reasonably available interest-bearing account would not earn more than \$250 per year on the federal cash balance, or would entail bank services charges in excess of the interest earned. Interest that is earned on advanced payments shall be remitted to the Center.

#### **2.5. Financial Management Standards**

Grantee financial management systems must meet the following standards:

a. **Accounting System.** Grantees must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each federally sponsored project. Accounting records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly.

b. **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the grant and general ledger accounts that are to be charged or credited.

(1) The documentation required for salary charges to grants is prescribed by the cost principles applicable to the grantee organization. If an applicant organization anticipates salary changes during the course of the grant, those charges must be included in the budget request.

(2) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs that are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of the grantee organization.

c. **Third-Party Contributions.** Cash contributions to the project from third parties must be accounted for in the general ledger with other grant funds. Third-party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. If third-party in-kind (non-cash) contributions are used on a project, the valuation of these contributions must be supported with adequate documentation.

d. **Internal Control.** Grantees must maintain effective control and accountability for all cash, real and personal property, and other assets. Grantees must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantees must also have systems in place that ensure compliance with the terms and conditions of each grant award.

e. **Budget Control.** Records of expenditures must be maintained for each grant project by the cost categories of the approved budget (including indirect costs that are charged to the project), and actual expenditures are to be compared with budgeted

amounts no less frequently than quarterly. Center approval is required for certain budget revisions.

f. **Cash Management.** Grantees must also have written procedures to minimize the time elapsing between the receipt and the disbursement of grant funds to avoid having excessive federal funds on hand. Requests for advance payment shall be limited to immediate cash needs and are not to exceed anticipated expenditures for a 30-day period. Grantees must ensure that all grant funds are obligated during the grant period and spent no later than 60 days after the end of the grant period.

## **2.6. Record Retention and Audits**

Grantees must retain financial records, supporting documentation, statistical records, and all other records pertinent to the grant for three years from the date of submission of the final expenditure report. If the three-year retention period is extended because of audits, appeals, litigation, or the settlement of claims arising out of the performance of the project, the records shall be retained until such audits, appeals, litigation, or claims are resolved. Unless court action or audit proceedings have been initiated, grantees may substitute microfilm copies CD-ROM or scanned copies of original records.

The Center, the Comptroller General of the United States, the Inspector General of the Library of Congress, and any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of a grantee organization to make audits, examinations, excerpts, transcripts, and copies. Further, any contract in excess of the simplified acquisition threshold (currently \$100,000) that grantees negotiate for the purposes of carrying out the grant project shall include a provision to the effect that the grantee, the Center, the Comptroller General, the Inspector General of the Library of Congress, or any of their duly authorized representatives shall have access for similar purposes to any records of the contractor that are directly pertinent to the project.

## **2.7. Equipment**

Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The purchase of equipment not included in the approved project budget is allowable only if specifically approved beforehand by the Center and only when there is documentation to support that the purchase is necessary and reasonable to carry out project activities.

a. **Equipment Records.** Equipment records must be maintained that include the description of the equipment, the serial number or other identification number, the source of equipment, the titleholder, the acquisition date, the cost of the equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment.

b. Title to Equipment. Title to equipment purchased or fabricated with Center funds shall be vested in the recipient organization with the understanding that the equipment will be used for the project for which it was obtained but without further obligation to the federal government. The Center reserves the right to request the transfer of title to the federal government or to a third party when the current per unit fair market value of the equipment is \$5,000 or more and the equipment is no longer needed to carry out the purposes of the project or other projects funded by government agencies.

## **2.8. Supplies**

Title to supplies and other expendable property shall vest in the recipient organization upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for any other federally sponsored project or program, the grantee may retain the supplies for use on nonfederal sponsored activities or sell them, but shall in either case compensate the Center for its share.

## **ANNEX III**

### **Procurement Guidelines**

#### **3.1. Procurement Responsibility**

The standards contained in this section do not relieve the grantee of the contractual responsibilities arising under its contracts. The grantee is the responsible authority, without recourse to the Center regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of a grant project. Matters concerning the violation of a statute are to be referred to such federal, state, or local authority as may have proper jurisdiction.

The grantee may determine the type of procurement instrument used, e.g., fixed price contracts, cost reimbursable contracts, incentive contracts, or purchase orders. The contract type must be appropriate for the particular procurement and for promoting the best interest of the program involved. The “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods shall not be used.

#### **3.2. Procurement Standards**

When grantees procure property or services under a grant, their procurement policies must adhere to the standards set forth below. Subrecipients of grant funds are subject to the same policies and procedures as the grantee.



a. Contract Administration. Grantees shall maintain a system for contract administration that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Grantees shall evaluate contractor performance and document, as appropriate, whether or not contractors have met the terms, conditions, and specifications of the contract.

b. Ethical Standards of Conduct. Grantees shall maintain a written standard of conduct for awarding and administering contracts. No employee, officer, or agent of the recipient organization shall participate in the selection, or in the awarding or administration, of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when any of the following have a financial or other interest in the firm selected for a contract: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or an organization which employs or is about to employ any of the preceding.

Grantee officers, employees, and agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, grantees may set standards governing when the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by grantee officers, employees, or agents.

c. Open and Free Competition. All procurement transactions will be conducted in a manner to provide, to the maximum extent practical, open and free competition. Grantees should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the grantee, price, quality, and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for the bid/offer to be evaluated by the grantee. When it is in the grantee's interest to do so, any bid/offer may be rejected.

d. Small, Minority-Owned, and Women's Business Enterprises. The grantee shall make positive efforts to assure that small businesses, minority-owned firms, and women's business enterprises are used whenever possible. Organizations receiving federal awards shall take all the steps outlined below to further this goal. This shall include:

- (1) Placing qualified small, minority and women's business enterprises on solicitation lists;

- (2) Assuring that these businesses are solicited whenever they are potential sources;
- (3) Contracting with consortiums of small, minority-owned, or women's business enterprises, when a contract is too large for one of these firms to handle individually;
- (4) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency; and
- (5) Considering in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

### **3.3. Procurement Procedures**

Grantees must have formal procurement procedures. Proposed procurements are to be reviewed to avoid the purchase of unnecessary or duplicative items.

a. Solicitations. Solicitations for goods and services shall provide the following:

- (1) A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurements, such a description shall not contain features that unduly restrict competition.
- (2) Requirements that the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- (3) Whenever practicable, a description of technical requirements in terms of the functions to be performed or the performance required, including the range of acceptable characteristics or minimum acceptable standards.
- (4) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- (5) Preference, to the extent practical and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient.

b. Selecting Contractors. Contracts will be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration should be given to such matters as contractor integrity, the record of past performance, financial and technical resources or accessibility to other necessary resources.

(1) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(2) Procurement records and files for purchases in excess of the simplified acquisition threshold (currently \$100,000) shall include the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price.

### **3.4. Contract Provisions**

a. Contracts in Excess of \$100,000. All contracts in excess of \$100,000 established under the grant award from the Center must provide for:

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and such remedial actions as may be appropriate.

(2) Termination for cause and for convenience by the grantee, including the manner by which it will be effected and the basis for settlement. In addition, these contracts shall also contain a description of the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) Access by the recipient organization, the Center, the Comptroller General of the United States, or any other duly authorized representatives to any books, documents, papers, and records of the contractor that are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

b. Standard Clauses. All contracts, including small purchases, shall contain the following provisions as applicable:

(1) Equal Employment Opportunity. All contracts awarded by the grantee and the grantee's contractors and subrecipients having a value of more than \$10,000 must contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity" as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60).

(2) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors who apply or bid for an award of \$100,000 or more must file a certification with the grantee stating that they will not and have not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, cooperative agreement, loan, or any other award covered by 31 U.S.C. 1352. Such contractors must also disclose to the grantee any lobbying that takes place in connection with obtaining any federal award.

(3) Debarment and Suspension (Executive Order 12549 and 12689). No contracts shall be made to parties listed on the General Services Administration's Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689. These lists contain the names of contractors debarred, suspended, or proposed for debarment by agencies, and contractors declared ineligible under other statutory or regulatory authority other than Executive Order 12549. Grantees must obtain a certification regarding debarment and suspension from all subrecipients and from all parties with whom they contract for goods or services when (a) the amount of the contract is \$100,000 or more, or (b) when, regardless of the amount of the contract, the contractor will have a critical influence or substantive control over the covered transaction. Such persons would be project directors and providers of federally required audit services.

### **3.5. Other Federal Guidance**

a. Buy American Act. Consistent with the Buy American Act, 41 U.S.C. 10a-c and Public Law 105-277, grantees and subrecipients who purchase equipment and products with grant funds should purchase only American-made equipment and products.

b. Welfare-to-Work Initiative. To supplement the welfare-to-work initiative, grantees are encouraged, whenever possible, to hire welfare recipients and to provide additional needed training and/or mentoring.

## ANNEX IV

### Cost Principles

#### 4.1. Introduction

2 C.F.R. Part 230 (OMB Circular A-122), “Cost Principles for Non-Profit Organizations,” is a comprehensive explanation of which costs are allowable under a government grant, how to determine whether a cost is reasonable, and how direct and indirect costs should be allocated. Please refer to the official OMB cost principles document. Applicant organizations may obtain a paper copy from the Center or read the full text online by going to [www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1](http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1).

#### 4.2. Basic Definitions

Attachment A to the Circular describes

a. Allowable Costs. To be allowable under an award, costs must meet the following general criteria:

- (1) Be reasonable for the performance of the award and be allocable thereto under these principles.
- (2) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- (3) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.
- (4) Be accorded consistent treatment.
- (5) Be determined in accordance with generally accepted accounting principles.
- (6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- (7) Be adequately documented.

b. Reasonable Costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining the reasonableness of a given cost, consideration shall be given to:

(1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

(2) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and terms and conditions of the award.

(3) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the federal government.

(4) Significant deviations from the established practices of the organization that may unjustifiably increase the award costs.

c. **Allocable Costs.** A cost may be allocated to the recipient organization's grant in accordance with the relative benefits received. A cost is allocable to a federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

(1) Is incurred specifically for the award.

(2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or

(3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

(4) Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

### **4.3. Potential Costs**

Attachment B to 2 C.F.R. Part 230 (OMB Circular A-122) describes 52 types of costs and explains when they are allowable and when they are not. Some of the potential costs covered by the Circular are not relevant to Center projects. Please note that costs marked with an "X" in the list below are **never** allowable and must not be included in an applicant organization's budget for Center activities or in a grantee's requests for payment. Other costs on the list may be unallowable in certain circumstances. Please refer to the Circular for explanations and contact the Center with any questions.

Failure to mention a particular item of cost is not intended to imply that it is unallowable; rather, determination as to allowability in each case should be based on the treatment or principles provided for similar or related items of cost.

- |   |     |  |
|---|-----|--|
|   | 1.  | Advertising and public relations costs   |
|   | 2.  | Advisory councils  |
| X | 3.  | Alcoholic beverages  |
|   | 4.  | Audit costs and related services   |
| X | 5.  | Bad debts  |
|   | 6.  | Bonding costs  |
|   | 7.  | Communication costs  |
|   | 8.  | Compensation for personal services   |
| X | 9.  | Contingency provisions   |
|   | 10. | Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement |
|   | 11. | Depreciation and use allowances  |
|   | 12. | Donations to the grant project   |
|   | 13. | Employee morale, health, and welfare costs and credits   |
| X | 14. | Entertainment costs  |
|   | 15. | Equipment and other capital expenditures   |
| X | 16. | Fines and penalties  |
| X | 17. | Fund raising and investment management costs   |
| X | 18. | Gains and losses on depreciable assets   |
| X | 19. | Goods or services for personal use   |
| X | 20. | Housing and personal living expenses for organization employees                                    |
|   | 21. | Idle facilities and idle capacity  |
|   | 22. | Insurance and indemnification  |
| X | 23. | Interest   |
|   | 24. | Labor relations costs  |
| X | 25. | Lobbying   |
| X | 26. | Losses on other awards   |
|   | 27. | Maintenance and repair costs   |
|   | 28. | Materials and supplies   |
|   | 29. | Meetings and conferences   |
|   | 30. | Memberships, subscriptions, and professional activity costs  |
| X | 31. | Organization costs   |
|   | 32. | Page charges in professional journals  |
|   | 33. | Participant support costs  |
|   | 34. | Patent costs   |
|   | 35. | Plant and homeland security costs  |
|   | 36. | Pre-agreement costs  |
|   | 37. | Professional service costs   |
|   | 38. | Publication and printing costs   |
|   | 39. | Rearrangement and alteration costs   |
|   | 40. | Reconversion costs   |

41. Recruiting costs
42. Relocation costs
43. Rental costs
44. Royalties and other costs for use of patents and copyrights
45. Selling and marketing
46. Specialized service facilities
47. Taxes
48. Termination costs
49. Training and education costs
50. Transportation costs
51. Travel costs
52. Trustees

## **ANNEX V**

### **Suspension and Termination**

#### **5.1. Suspension and Termination**

- a. Grants may be terminated in whole or in part:
  - by the Center if the grantee materially fails to comply with the terms and conditions of an award;
  - by the Center with the grantee's consent, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion of the project to be terminated; or
  - by the grantee, upon sending to the Center via fax or e-mail written notification—followed by signed documents sent via overnight or express delivery PER ARRANGEMENTS MADE BY CONTACTING OPEN WORLD PROGRAM ADMINISTRATOR ALETTA WATERHOUSE AT (202) 707-8943—setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion of the project to be terminated. However, if the Center determines that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety either unilaterally or with the grantee's consent.
- b. **Suspension or Termination for Cause.** When the Center determines that a grantee has failed to comply with the terms of the grant award, the Center may suspend or terminate the grant for cause. Normally, this action will be taken only after the grantee has been notified of the deficiency and given sufficient time to correct it, but this does not



preclude immediate suspension or termination when such action is required to protect the interests of the Center. In the event that a grant is suspended and corrective action is not taken within 90 days of the effective date, the Center may issue a notice of termination.

c. Allowable Costs. No costs that are incurred during the suspension period or after the effective date of termination will be allowable except those that are specifically authorized by the suspension or termination notice or those that, in the opinion of the Center, could not have been reasonably avoided.

d. Report and Accounting. Within 30 days of the termination date, the grantee shall furnish to the Center a summary of progress achieved under the grant, an itemized accounting of charges incurred against grant funds and cost sharing prior to the effective date of the suspension or termination, and a separate accounting and justification for any costs that may have been incurred after this date.

## **5.2. Termination Review Procedures**

If the grantee has received a notice of termination, the grantee may request review of the termination action. The grantee request for review must be sent via overnight or express delivery [PER ARRANGEMENTS MADE BY CONTACTING OPEN WORLD PROGRAM ADMINISTRATOR ALETTA WATERHOUSE AT (202) 707-8943] no later than 30 days after the date of the termination notice and should be addressed to the Chairman of the Board, Open World Leadership Center, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-9980, with a copy sent via overnight or express delivery [PER ARRANGEMENTS MADE BY CONTACTING THE OFFICE OF THE INSPECTOR GENERAL AT (202) 707-6314] to the Inspector General, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-1060.


A request for review must contain a full statement of the grantee's position and the pertinent facts and reasons supporting it. The grantee's request will be acknowledged promptly, and a review committee of at least three individuals will be appointed. Pending the resolution of the review, the notice of termination will remain in effect.

None of the review-committee members will be among those individuals who recommended termination or were responsible for monitoring the programmatic or administrative aspects of the awarded grant. The committee will have full access to all relevant Center background materials. The committee may also request the submission of additional information from the recipient organization or from Center staff and, at its discretion, may meet with representatives of both groups to discuss the pertinent issues. All review activities will be fully documented by the committee. Based on its review, the committee will present its written recommendation to the Chairman of the Board of the Center, who will advise the parties concerned of the final decision.

ANNEX VI

**Cost-Share Estimation Form and Instruction Sheet**

Below are illustrations of the form and instruction sheet that the Center will provide to grantees and local host coordinators to aid them in reporting cost share. The actual form is a spreadsheet that calculates totals automatically.

	<h2 style="margin: 0;">Open World Leadership Center</h2>		
	Tel 202.707.8943		Fax 202.252.3464
<b>REQUIRED SECTION</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	# of Units	# of Participants	Unit Value Cost Share
<b>Homestay value:</b>			
Number of nights with home hosts: <input type="text"/> X <input type="text"/> X <input type="text" value="\$60.00"/> = <input type="text" value="\$0.00"/>			
<a href="http://www.gsa.gov/perdiem">www.gsa.gov/perdiem</a>			
<b>Number of donated meals:</b>			
	Breakfasts:	<input type="text"/> X <input type="text"/> X	<input type="text" value="\$7.00"/> = <input type="text" value="\$0.00"/>
	Lunches:	<input type="text"/> X <input type="text"/> X	<input type="text" value="\$11.00"/> = <input type="text" value="\$0.00"/>
	Dinners:	<input type="text"/> X <input type="text"/> X	<input type="text" value="\$13.00"/> = <input type="text" value="\$0.00"/>
<a href="http://www.gsa.gov/perdiem">www.gsa.gov/perdiem</a>			
Price per mile			
<b>Volunteer/host driving in their own cars:</b>			
Total miles all drivers: <input type="text"/> X <input type="text" value="\$0.45"/> = <input type="text" value="\$0.00"/>			
<a href="http://www.gsa.gov/">http://www.gsa.gov/</a>			
Cost per hour			
<b>Volunteer time:</b>			
	Unpaid interpreter hours:	<input type="text"/> X <input type="text" value="\$5.15"/>	= <input type="text" value="\$0.00"/>
	Unpaid driver hours:	<input type="text"/> X <input type="text" value="\$5.15"/>	= <input type="text" value="\$0.00"/>
	Other unpaid volunteer hours:	<input type="text"/> X <input type="text" value="\$5.15"/>	= <input type="text" value="\$0.00"/>
<a href="http://www.dol.gov/esa/minwage/america.htm">http://www.dol.gov/esa/minwage/america.htm</a>			
Cost per hour			
<b>Presenter time:</b>			
Hours delegates spent at appointments: <input type="text"/> X <input type="text" value="\$5.15"/> = <input type="text" value="\$0.00"/>			
<b>Subtotal Required Cost Share:</b>			<input type="text" value="\$0.00"/>
<b>OPTIONAL SECTION</b>			
Items received for free or at a discount, or that you are not claiming reimbursement for:			
<b>Item Description</b>			<b>Value</b>
<input type="text"/>			<input type="text"/>
<input type="text"/>			<input type="text"/>
<input type="text"/>			<input type="text"/>
<input type="text"/>			<input type="text"/>
<b>Subtotal Optional Cost Share:</b>			<input type="text" value="\$0.00"/>
<b>IDENTIFYING INFORMATION:</b>			
<b>Grand Total Cost Share:</b>			<input type="text" value="\$0.00"/>



## **Open World Cost-Share Estimation Form Instruction Sheet for Local Host Coordinators**

The Open World Cost-Share Estimation Form is designed to be a quick electronic tool for calculating in-kind contributions made during hosting. Although the form can be printed and filled out by hand, Open World recommends using it on-screen, as the Excel file has all of the formulas loaded into it. Once filled out, the form can either be e-mailed to your Grantee along with all other final financial documentation, or printed and mailed. Sending this documentation via e-mail is preferred. All cost-share estimation forms are due to the Center by 30 days after the close-out of the grant.

Note that the form has two sections. The “Required Section” must be filled out in its entirety. The default amounts provided in Column 2 are only estimates—please use the web links provided to find the amounts that apply to your state. There is no need to provide official documentation supporting the dollar amounts entered. The “Optional Section” is provided for you to list any other relevant in-kind contributions you choose. If you have any questions about these instructions, please contact Aletta Waterhouse at 202-707-8943 or [awat@loc.gov](mailto:awat@loc.gov) (please put COST SHARE in the subject line).

### **INSTRUCTIONS**

#### ***Required Section:***

1. Fill in Column 1 with the requested units.
2. Fill in the number of participants (delegates plus facilitator[s]).
3. Use the provided web links to check whether you may claim a higher unit value than the default value in Column 2 (based on your state). If you can, plug the higher value into the corresponding box.
4. Column 3 will automatically populate, as will the “Subtotal Required Cost Share” amount.

#### ***Optional Section:***

1. Provide a brief but complete description of each in-kind contribution.
2. Enter the appropriate value amount for each contribution.
3. The “Subtotal Optional Cost Share” amount and the “Grand Total Cost Share” amount will automatically populate.

#### ***Identifying Information:***

1. List your name and the local host organization’s name. If someone else filled out the form, please also provide his or her name and affiliation with the local host organization.
2. List the arrival date and target group (e.g., jazz musicians) for your delegation.

## ANNEX VII

### Glossary of Terms

Cash Contributions - The cash outlay for budgeted project activities, including the outlay of money contributed to the grantee by third parties.

Cost Sharing - The portion of the costs of a project not charged to the Center funds. This would include cash contributions (as defined above) as well as the value of third-party in-kind contributions.

Debarment - The ineligibility of a grantee to receive any assistance or benefits from the federal government, either indefinitely or for a specified period of time, based on legal proceedings taken pursuant to agency regulations implementing Executive Order 12549.

Equipment - Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Federally Recognized Tribal Government - The governing body or a governmental agency of any Indian tribe, Indian band, nation, or other organized group or community certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

Grant - A legal instrument that provides financial assistance in the form of money or property to an eligible recipient. The term includes cooperative agreements but it does not apply to technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. The term does not include fellowships or other lump sum awards for which the recipient is not required to provide a financial accounting.

Grant Administrator - The member of the grantee organization who has the official responsibility for administering the grant, e.g., for negotiating budget revisions, overseeing the submission of required reports, and ensuring compliance with the terms and conditions of the grant.

Grant Period - The period established in the grant award during which the Center activities and expenditures are to occur.

Grantee - The organization to which a grant is awarded and which is accountable for the use of the funds provided.

Grants Officer - The Center's Program Administrator or other party designated by the Executive Director.

**In-Kind Contributions** - The value of noncash contributions provided by third parties. In-kind contributions may be in the form of charges for real property and equipment or the value of goods and services directly benefitting and specifically identifiable to the project.

**Intangible Property** - Includes, but is not limited to, trademarks; copyrights; patents and patent applications.

**Local Government** - A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government, any other regional or interstate government entity, or any agency or instrumentality of a local government.

**Obligation** - The amounts of orders placed, contracts and grants awarded, goods and services received, and similar transactions during the grant period that will require payment.

**Program Income** - Money that is earned or received by a grantee or a subrecipient from the activities supported by grant funds or from products resulting from grant activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under a grant; usage or rental fees for equipment or property acquired under a grant; admission fees; broadcast or distribution rights; and royalties on patents and copyrights.

**Project Funds** - Both the federal and nonfederal funds that are used to cover the cost of budgeted project activities.

**Simplified Acquisition Threshold** - This term replaces “small purchase threshold,” and the threshold is currently set at \$100,000 [41 U.S.C. 403 (11)].

**State** - Any of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments, institutions of higher education, and hospitals.

**Subgrant** - An award of financial assistance in the form of money or property, made under a grant by a grantee to an eligible subrecipient or by a subrecipient to a lower-tier subrecipient. The term includes financial assistance which is provided by any legal agreement, even if the agreement is called a contract, but it does not include the procurement of goods and services nor does it include any form of assistance that is excluded from the definition of a “grant.”

**Subrecipient** - The legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies - All personal property excluding equipment and intangible property, as defined in this glossary.

Suspension -

(1) The suspension of a grant is the temporary withdrawal of Center sponsorship. This includes the withdrawal of authority to incur expenditures against grant funds, pending corrective action, or a decision to terminate the grant.

(2) The suspension of an individual or organization that causes that party to be temporarily ineligible to receive any assistance and benefits from the federal government pending the completion of investigation and legal proceedings as prescribed under agency regulations implementing Executive Order 12549. Such actions may lead to debarment of the grantee.

Termination - Cancellation of Center sponsorship of a project, including the withdrawal of authority to incur expenditures against previously awarded grant funds before that authority would otherwise expire.